we need do.

MS. FARROBA: But you have used that in the past, or have you?

MR. ALBERT: Not in a manhole, no.

MS. FARROBA: So, you haven't done any these midpoint, mid-span meets, established any of those in a manhole?

MR. ALBERT: No, the ones that we have done, we either--either they were on pole lines or we stubbed out where we could pur and install the interconnection hardware and we did the meet point there.

MR. STANLEY: Could you just explain what you mean by stubbing out. What would that look like if you have--is that with new facilities, existing facilities?

MR. ALBERT: Yeah. I don't draw well in 3-D, but I will give it a try. This is a pole, all right, and we will put another pole. Then let's say down below the ground or on the ground you got a lunch of manholes. In between the manholes is the conduit, the big, long plastic pipes that we

run our fiber-optic cables through, particular type of a pole that at its foot would have a piece of conduit that would run over into the main conduit line. These are called a dip, D-I-P, dip pole because the plant dips down to the underground.

When I say stub out, we would run a small, short fiber cable coming from the conduit, from the underground up the dip pole. We at that point would have access to Verizon's fiber facilities. The ones we have done that, the CLEC came along and they had their facilities in the air, and we built the interconnection hardware on the side of the pole, and did the mid-span meet there.

MS. FARROBA: So, you are willing to do mid-span meets that way on a pole?

MR. ALBERT: Sure, yeah. That's the few that we have done where the original plant was underground. That's what we worked out to be able to do.

MR. STANLEY: That still didn't quite get to my question of what does a stub look like? I understand you've got the poles and all that.

MR. ALBERT: Small short piece of cable. Fiber-optic cable.

MS. FARROBA: I know, but is it spliced underground in the manhole?

MR. ALBERT: Yes.

MS. FARROBA: Okay.

MR. ALBERT: So, this is like the little fiber distribution frame cross-connect panel, and this is the main drag fiber.

MS. FARROBA: Underground?

MR. ALBERT: Underground, in the manhole, and you would run that and splice that in there.

MR. STANLEY: So, somebody would have to go down into the manhole and do the splice, and the splice would then be a new piece of fiber running up, as you described, up through the dip pole?

MR. ALBERT: Um-hmm.

MR. STANLEY: Okay.

MR. ALBERT: This might be, say, like 144 fiber cable running through here, and if we were going to do mid-span meet with a dozen fibers, then we might put in a 24 fiber cable coming up here and

then we might actually interconnect six of them, and have room to interconnect another six in the future.

MS. FARROBA: So, you would be able to then just do ahead, if you're planning on doing some mid-span meets, you could go splice the cable and stub out to the pole?

MR. ALBERT: Yeah.

And a lot of these particulars are very site-specific. You may do it this way here, you may move a hundred yards down the road and do it in another fashion. The particulars just depend on what we work out. And we always work something out.

MS. FARROBA: Thanks. I had another question on, are you familiar with, I guess, the Cox proposal on the fiber mid-span fiber meets and--

MR. HARRINGTON: It's my understanding that there is no dispute between Verizon and Cox regarding mid-span meets. We are not involved in the mid-span meet issue.

MS. FARROBA: I thought there was a dispute, though, on the co-location type of fiber meet.

MR. HARRINGTON: The dispute regarding co-location, if I think I could characterize this accurately, is that Verizon is seeking co-location and Cox is not offering it.

MS. FARROBA: But for the purpose of interconnection?

MR. HARRINGTON: For the purpose of interconnection.

I think Verizon would agree with my characterization.

MS. PREISS: I guess the question is to Verizon. The way you've described these mid-span meets as technically feasible, not posing a lot of problems you could usually work things out.

I guess the source of our confusion, and Cathy will jump in if I'm wrong, is why if you got that option, why do you need co-location from Cox?

MR. ALBERT: Because--just as a matter of cost. I guess what it gets down to--I guess what's

hard for me, too, you have the contractual aspects of what may happen. You've also got the particulars of realities that currently exist at the moment today.

The whole main reason we would able to be able to co-locate is because we are on the hook to bring our traffic and our facilities to the CLEC. And at the moment, without co-location, we have no choice but to get the transport from them to get our traffic into their switch. So, we have one option, one choice, which is to lease their transport, to lease their facilities to get into their switch.

Now, the mid-span meet is a variation, all right, where then half of the transport is theirs--half of the transport is ours. You do have I guess primarily different cost considerations associated with the mid-span meet.

We would like to have the same choices that the CLEC has to pick from when it comes to interconnection. They can pick the co-locate. They could pick the lease from us. They could pick

the lease from others. We just don't want to be in a position where we are held hostage, really, having to strictly buy transport from them or depending on the willingness of the particular CLEC, to, in reality, do a mid-span meet. Although it's in the contract, we can't force them to do a mid-span meet, and if they're basically saying we can't co-locate, and if they're not desirous of doing a mid-span meet, that means they have dictated to us that we have to lease the transport from them, and to us it's just not fair. If they can manage and control their costs and their efficiencies, we feel like we just ought to have the same options also.

MS. FARROBA: Well, wouldn't this end-point fiber meet work, or do have you to have the co-location option?

MR. ALBERT: No. If somebody was willing to do the end-point fiber meet, that's in many cases a cost-effective approach. But, I mean, a lot of it gets back to, and I guess this is what throws me the most is the way a lot of the language

is proposed in the contract, the CLEC has all the options to decide, but we've got none. And so basically on what they want to do, a number of those were then stuck without any choices ourselves.

MS. FARROBA: Thank you.

MR. KEHOE: I have one quick question, I think.

From a technical standpoint, is it sufficient for you to bring your fiber into the CLEC's office and then connect up without having any co-location space there?

MR. ALBERT: That is one form of the mid-span meets. And if a CLEC at a specific location is willing to do that, that's certainly a good option. They would say we can't force them to do that either for the transport that we got to provide.

So, the end-point fiber meet and the mid-span meet are quite similar, except for the amount of fiber, I guess, really the two parties provide.

If you look at a real mid-span meet, we've got Verizon's central office, we've got the CLEC's, and with a true mid-span meet, they will build their fiber partway out of their office, we will build our fiber, and then Verizon has the electronics on our end, and they've got the electronics on their end. So, the classical mid-span meet, you've got each party owning physical facilities between the two.

The dual cable arrangement that WorldCom has asked for, I guess to me that's not really mid-span meet. What WorldCom has asked for, it's an interconnection thing, or an interconnection arrangement, but--

MS. FARROBA: Is "thing" a technical term?

MR. ALBERT: Right. I'm not sure. It's not a mid-span meet, but we don't have another name for it, so it's kind of a thing.

What WorldCom has asked for is that we would build the whole cable going to them, and then they would build a whole cable coming to us. They would own the electronics here. We would own the

electronics there.

One thing I got a big problem with is generalistically agreeing to do this in advance without agreeing on the particulars of who is going to pay how much, that's something I'm not in a position to do.

ERE Depending on where this point is and where that point is, this could be a significant buckaroo buildout. If this was like a 30-mile shot which potentially could be, you know, here there is mutual benefit to both. Here it's not as obvious, and there are a number of questions that relate to compensation in particular that would be involved.

MR. DYGERT: Just so the record is clear, you're saying that when there is a mid-span meet, there is a mutual benefit that's obvious, and where there is this two-strand arrangement that WorldCom is proposing, the end point interconnection, that there is not an obvious benefit to both sides? I'm just trying to get it clear for the record what you're saying.

MR. ALBERT: That's correct. In the

WorldCom two cable proposal, there could be significant additional costs, many of which I think there is a hierarchy to have Verizon bear those.

MR. DYGERT: And what are those additional costs other than going the extra half a length to the CLEC's office?

MR. ALBERT: That's it. It's having to put in two physical fiber cable sheaths rather than one.

See, what we do with the mid-span meets that we've got, this is still a sonic fiber ring that we have, even though there is just one physical fiber cable. It's still a sonic ring with a sonic multiplexer on each end.

Down here, this is more diverse in that you got two physical fiber cable sheaths. Also, depending on the sizes you would build these potentially doubles the cost.

So, true, this is a sonic ring. However, this is also a sonic ring. This potentially, if you're talking about doing this for--

MR. DYGERT: "This" being once again the

end office end point meet arrangement?

MR. ALBERT: Let me just call it the WorldCom dual cable arrangement. In the interrogatory answers the end-point fiber meet is even a third variation, and I could draw that for you, and the end-point fiber meet, I will keep the colors the same, what we do is the fiber is all Verizon's, CLEC has the electronics, Verizon has the electronics, and in the situation where we built this, and there are a couple of these particular arrangements where we negotiated specifics with the CLECs, at least in the ones we have done, this fiber already existed. It was there. That particular CLEC was also an interexchange carrier, and so it was more natural.

Potentially here we would be talking about building a brand-new cable and one of the significant thoughts--

MS. PREISS: Here is the WorldCom proposal? None of us is going to be able to read the record when this is over. If you could refer to one, two, and three. The top one is the classic

mid-span meet.

The one you've now made second is your end point meet?

MR. ALBERT: End-point fiber meet.

MS. PREISS: And the bottom one, the third one down here, as you have been referring to it is the WorldCom proposal?

MR. ALBERT: Is the WorldCom two cable proposal.

MS. FARROBA: And the second proposal, the end point meet, is that similar to entrance facilities?

MR. ALBERT: Looks quite a bit like it, yeah.

The difference is in an entrance facility, you got to be careful because people use the jargon entrance facility for three or four different things. Almost have to kind of stop and ask to get the context. If you're talking an entrance facility like what Verizon will do with a carrier, we would own in the entrance facility the electronics that were placed on the carriers'

ground as well as we would own the fiber all the way in between.

MS. FARROBA: So, you would own the electronics on both ends?

MR. ALBERT: Yes.

MS. PREISS: Which of these interconnection options requires co-location?

MR. ALBERT: In these three, one, two, and three, I would say none of those are co-location, although the entrance facility, which--I didn't draw the entrance facility.

MS. FARROBA: No. Number two is the end point interconnection.

MS. PREISS: But the facilities were there because you previously had entrance facilities into an IXC point of presence.

MR. ALBERT: Right.

So, if you're looking for something that looks the most like co-location, the entrance facility where Verizon owns the electronics on both ends as well as the fiber in between, that's the closest thing that you're going to find to

co-location.

So, those are the variations that we got.

MR. KEHOE: And is the technical distinction between number two and co-location solely the ownership of the fiber distribution frame that would be located within the CLEC premises?

MR. ALBERT: The difference between co-location in number two is not only the ownership of the fiber distribution frame, but also the fiber optical electronics.

Number two, the end-point fiber meet, is drawn with the CLECs owning the electronics on their PREM. With co-location, those electronics would be owned by Verizon.

MS. PREISS: I hate to beat a dead horse, but I'm still confused. If Verizon had all three of these options available to it for interconnection with a CLEC, why do you need co-location offered by a CLEC--in this case Cox?

MR. ALBERT: It would come down just to a matter of cost.

MS. PREISS: Well, that's what I'm trying to get at. How I understood the testimony, what Verizon wanted to avoid was distance-sensitive charges that Cox was imposing for what Cox calls entrance facilities, lower case E, lower case F.

Now, how--when in the mid-span meet, when Verizon is responsible for the cost of half of the facility, those aren't distance-sensitive charges that Verizon is incurring, are they?

MR. ALBERT: Well, no, and maybe, Pete, maybe you could correct me here, but I think when we are talking about the distance-sensitive charges, that is in the situation where we would be leasing the entire length of the transport facility from the CLEC.

MS. PREISS: Right. And that's what Verizon doesn't want to do, as I understand it. And ast I understand from the Cox witness testifying this morning, they offer an alternative, which is then mid-span meet or midpoint. I can't say these things right. Mid-span meet; is that right? Mid-span meet?

MR. ALBERT: Um-hmm.

MS. PREISS: Number one, they offer that as alternative for purchasing the transport from Cox. Why doesn't that solve Verizon's problem, address Verizon's concern about avoiding these distance-sensitive charges? I just feel like I'm missing something.

MR. ALBERT: If a CLEC were willing to say we will always do a mid-span meet for you, as opposed to I only will if I decide to, but if they're always willing to do the mid-span meet, that goes a long way to enabling us to reduce our transport costs and to control our transport costs.

MS. PREISS: I'm trying to narrow this down. Verizon's concern about the Cox proposed language is the extent to which Cox is, in fact, contractually obligated to enter into a mid-span meet arrangement? You're afraid they have too much discretion to say, no, I don't want to do it that way. You have to pay these other charges?

MR. ALBERT: Yes.

What's the best way to describe it?

The thing that would give us would be an alternative to having to lease the transport from them, and if we are always able to then have another alternative that we could exercise, that helps us out a lot.

MS. FARROBA: And on the WorldCom option, you mentioned that you would have concern if the distance was too great on that one because its fiber the entire length between the Verizon office and the CLEC office or switches.

Do you have a distance in mind when you were saying it may cause a problem beyond a certain distance?

MR. ALBERT: It really would depend on how much we had existing and how much more we had to build.

I mean, this still having to have two cable sheaths as opposed to one efficiency-wise was adding a lot more cost.

MS. FARROBA: But would it be justified when there is a lot more traffic, for example?

MR. ALBERT: You could pump so much

traffic over a fiber-optic cable. It's hard for me to imagine that we would ever have so much between ourselves and one specific CLEC location, that you would really get to the point where you had to put in a second one. If we were building this from scratch and we were doing 144 or 288 fiber cable, those are going to last for long, long, long time.

MS. FARROBA: So, the main benefit of WorldCom's architecture there would be the diversity?

MR. ALBERT: Yes.

And just so we have things right, when we were talking about the mid-span meets, you know, there were ways to work out the particulars that are technically feasible, but when it comes to how the electronics of ours, talk about the electronics of the CLECs, there are ways of doing that that would not be technically feasible if the parties don't both mutually agree how they're going to do it, so the particulars there that can gum up the works if they can't both agree and address how those operational management functions will work.

MR. DYGERT: Everyone ready for a break? Can we be back--it's now by my watch 3:15. Can we be back here at 3:30.

MR. EDWARDS: Before we take the break, what I will propose to do is I think Mr. Albert has made four drawings which I would mark as Verizon Exhibits 48, 49, 50, and 51, and I think what we will try to do is take those overnight and reduce them so that they're eight and a half by 11 and a half.

MS. FARROBA: Once you do that, if you could show them to the other parties, make sure that we've got agreement that they represent what was up here on the tablet, that would be helpful as well.

(Verizon Exhibit Nos. 48, 49, 50 and 51 were marked for identification.)

(Brief recess.)

MR. DYGERT: Jodie, you were finished with your cross-examination?

MS. KELLEY: Yes.

MR. DYGERT: Do you want at this point to move your exhibits in?

MS. KELLEY: Yes. Since we are done, why don't we move the exhibits WorldCom Numbers 40 through 47.

MR. EDWARDS: I don't have any objection to any of those, with the caveat that on 45 I think we agreed there is a diagram missing, and what we might want to do is find a diagram and attach it so it's complete.

MS. KELLEY: I will say it doesn't appear that we have seen the diagram.

MR. EDWARDS: There was some discussion about trying to find it last night, so we need to go back and look in our records to make sure it was there.

We will report back on that, but no objection to those exhibits with that one caveat.

MR. DYGERT: All right.

And also WorldCom wants to have the revised contract language for Section 1.1 and 1.3 which was marked as Exhibit 39 entered?

MS. KELLEY: Yes. If we didn't move it in earlier, we move for its admission now.

MR. EDWARDS: No objection.

MR. DYGERT: Then to the extent these haven't previously been admitted, they are admitted.

(WorldCom Exhibit Nos. 40 through 47 were admitted into evidence.)

MR. EDWARDS: I will go ahead and move for admission of Verizon Exhibits 48, 49, 50, and 51, subject to everybody's agreement that what we submit accurately reflects Mr. Albert's drawings.

MR. DYGERT: Great. That's 48 through 51?

MS. FARROBA: Any objections subject to the review as discussed?

MS. KELLEY: No objections.

MR. HARRINGTON: None from Cox.

(Verizon Exhibit Nos. 48, 49, 50 and 51 were admitted into evidence.)

CROSS-EXAMINATION

MS. SCHMIDT: Good afternoon, my name is Ellen Schmidt, and I have a few questions for you gentlemen. Let's start out with the POI IP issue.

Now, it's your position that the POI is where the parties physically connect. Can you tell me, does Verizon's language propose that Verizon may select a POI for its traffic?

MR. D'AMICO: When you say its traffic for Verizon to AT&T, yes, Verizon can designate that POI.

MS. SCHMIDT: And is the standard for Verizon's selection of a POI technically feasible? I didn't see any language in the ICA about that.

MR. D'AMICO: I would suspect that it has to be technically feasible. Even though it may not be specifically addressed.

MS. SCHMIDT: But it could be as broad as that, any technically feasible point?

MR. D'AMICO: Yes.

MS. SCHMIDT: Okay. Thank you.

Now, in Verizon's proposal, Verizon takes the traffic to a CLEC IP, wherever that location

is, and then the CLEC takes the traffic from that point and delivers it to the called customer.

Now, what does Verizon propose to pay the CLEC for taking this traffic from the CLEC IP to the called customer? Is it recip comp?

MR. D'AMICO: It would be recip comp.

MS. SCHMIDT: Okay. Now, isn't it correct that the CLEC IP, as Verizon proposes it, can be either at the tandem or the end office serving the originating Verizon customer? It can be in one of those two locations, doesn't have to be, but can be.

MR. D'AMICO: I kind of zoned out for a second. Could you say that one more time?

MS. SCHMIDT: Sure. This will do that, I guess.

Isn't it correct that the CLEC IP, as Verizon proposes it, can be at either the tandem or the end office serving the originating Verizon customer?

MR. D'AMICO: Yes.

MS. SCHMIDT: Okay. But the Verizon IP,

that is, where AT&T delivers its traffic, must be at either the tandem or the end office that's associated with the called party and not the originating party; is that correct?

MR. D'AMICO: Correct.

MS. SCHMIDT: Okay. Now, when the CLEC IP is at Verizon's tandem or Verizon's end office, serving the originating party, Verizon is not proposing to pay AT&T for the traffic from the Verizon originating end office or the Verizon originating tandem to AT&T's end office that serves the called party; is that correct?

MR. D'AMICO: Not on a transport perspective. That would be included in paying AT&T the recip comp rate.

MS. SCHMIDT: So, it's your position that you would pay the recip comp and that's it?

MR. D'AMICO: Yes.

MS. SCHMIDT: All right. Now, which carrier chooses the CLEC IP?

MR. D'AMICO: Well, the language, and again I will focus on VGRIP language, addresses

the, I guess, defaults of where the CLEC IP is, and then the CLECs' interconnection decisions would impact how the money is treated.

MS. SCHMIDT: Now, when you say defaults, is it not correct that those defaults would be chosen by Verizon?

MR. D'AMICO: In the contract basically we would have language that says for each tandem in that particular LATA, Verizon would drop off its traffic at a co-location arrangement at those offices, and if that were to happen, and that would satisfy the VGRIP objections. If that didn't happen, then there is language that talks about what happens.

MS. SCHMIDT: Right, we will talk about that in a minute. So what you're saying is that generally Verizon has the ability and the right to designate a CLEC IP under the circumstances that are set forth in your ICA in 4.1.3.2.3.3 and .3.4.

MR. D'AMICO: I think it's also influenced by if that particular CLEC has assigned codes in other locations. In other words, if for some

reason they only elected to operate in a certain part of the LATA, then the VGRIP concept talks about where that traffic originates from. And so it would be based on the originating party and the terminating party. If AT&T did not have NXXs in a certain area, then there may not be a need to designate or specify an IP.

MS. SCHMIDT: Sure. Okay.

Now, let's talk about the circumstance where if AT&T does not comply with Verizon's request to locate a CLEC IP at either a tandem or an end office serving the originating Verizon customer, if AT&T does not want to do that, then there are specific consequences in terms of the recip comp that's paid to AT&T for terminating that traffic; is that not correct?

MR. D'AMICO: Yes.

MS. SCHMIDT: And I think that was referred to as a transit offset and I just want to clarify what that means.

My understanding is what that means is if AT&T does not agree with Verizon's selection of

CLEC IP at a tandem or an end office serving the originating carrier, if AT&T rejects that request, then the recip comp that's due to AT&T is reduced, and it's reduced from the end office rate minus Verizon's rate for unbundled dedicated transport from Verizon's originating end office to the AT&T IP, so you subtract that out; is that correct?

MR. D'AMICO: Yes. In other words, if Verizon called a call 80 miles to the AT&T switch, Verizon would pay AT&T the recip comp rate, and then as a way to be compensated for the transport of the 80 miles for that local call, there would be an offset or backing out of some charges, yes.

MS. SCHMIDT: So, AT&T would then receive less than the end office recip comp rate in that circumstance that you just described?

MR. D'AMICO: You could say it that way or you could say that Verizon would be compensated for its costs to deliver it at whatever that mileage was.

MS. SCHMIDT: That's your perspective, I understand. Now, let's talk about the costs.

MS. FARROBA: I'm sorry, I would like to ask a quick question. In Virginia, in the various LATAs, what is the farthest distance between the tandems and the end offices? How far are the tandems from I guess the farthest end office in the LATA?

MR. D'AMICO: I don't know the specifics, but I guess an example--where is the tandem out? We have a tandem in Roanoke?

MR. ALBERT: Right in the middle of Roanoke there.

MR. D'AMICO: Although we have one down in Norton.

So, I guess it varies by the geography. I don't know the longest span or even the shortest span.

MS. FARROBA: Because your example was 80 miles, and I'm just wondering how realistic that is with the placement of the tandems in the various LATAs in Virginia, or the average amount of distance between a tandem and an end office.

MR. D'AMICO: Well, I'm not sure that the

two are related. In other words, if AT&T has their POI way down here in Norton, at the tip of the boot, if you will, and they assigned an NXX code with the rate center of Norton, and--I'm sorry, with the rate center of Staunton, I'm not sure that it's relevant how far our tandem is to the end office.

What we are concerned with is the fact that we are going to be hauling that call from Staunton all the way down to the tip of the boot, and it may go through a couple of--a bunch of interoffice facilities to go down there, and that's going to be a great mileage difference, and we are going to be collecting a local call.

Normally, what would happen is Staunton would be served by a tandem in Staunton, the Staunton tandem.

MS. FARROBA: But how many tandems are in the LATA?

MR. ALBERT: We got one in Staunton, one in Norton, and one in Roanoke. Three.

MS. FARROBA: Thanks. Go ahead.

MS. SCHMIDT: Let's talk about calls in the other direction for a minute. AT&T has responsibility to deliver its traffic to the Verizon IP; is that correct?

MR. D'AMICO: Correct.

MS. SCHMIDT: Now, who picks the Verizon IP?

MR. D'AMICO: The Verizon IPs are designated as either the tandems, as you said before, or the end offices.

MS. SCHMIDT: And who makes that selection?

MR. D'AMICO: Verizon or the fact that the CLECs have agreed to it, I guess it's--

MS. SCHMIDT: So, you're saying Verizon has the right to select the Verizon IPs and also the AT&T IPs, though you do give AT&T the ability to reject Verizon's selection in terms of the latter situation?

MR. D'AMICO: Again, I think what we are trying to do is to say we have all these local calling areas, and Verizon has interconnection

points in these calling areas.

MS. SCHMIDT: I understand. I just want to get the basics down first.

So, okay, so then the locations where the Verizon IP can be located are basically limited to two locations; correct? And those two locations are the tandem or the end office serving the called party; correct?

MR. D'AMICO: For the--

MS. SCHMIDT: For the Verizon IP.

MR. D'AMICO: Yes.

MS. SCHMIDT: Okay. And then there are some additional limitations on whether you can deliver it at a tandem that are unrelated to the specific issue, but things like the direct end office trunking that would say that you cannot deliver it to a tandem or the NECA 4 issue if AT&T was delivering its traffic via DS3 interface, you may not believe able to deliver it to a particular location if it wasn't on a NECA 4 list.

MR. D'AMICO: Right. Those are other issues.